Final Report

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Farming to Win II

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Prepared by: Saskatchewan Association of
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Exhibitions Inc. (SAASE)

The views expressed in this report are those of the author(s). The Agriculture Development Fund (ADF) does not accept responsibility or liability for any conclusions or recommendations in the report, and cannot guarantee the accuracy of its data or observations.

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Focus on Farm Planning

A Goal Oriented Farm Business Management Program

I. ABSTRACT

The overall objective of Focus on Farm Planning was to increase competitiveness by enhancing business management skills in the agriculture sector.

II. TECHNICAL REPORT

A. NATURE AND SCOPE OF THE PROBLEM

The Focus on Farm Planning program is a goal-directed approach to teaching farm management business skills. The program involves four one day workshops followed by two additional days of instruction at the year end. The follow up involves two days of classroom training and a one-half day of on-farm consultation by the instructor.

Focus on Farm Planning was previously known as "Farming to Win" The name change was the result of recommendations by the Deliotte & Touche evaluation. (See Appendix I)

B. OBJECTIVES

For Saskatchewan Farm managers to:

- **i) Be able to develop goals and objectives**
- **ii) Be able to develop, understand and interpret financial statements**
- **iii) Be able to understand the economic implications of production, marketing and investment decisions**

For the agriculture industry in Saskatchewan:

- **i) Foster the development of private farm management services in the Province.**
- **ii) Encourage the development of goal oriented farm youth in the Province.**
- **iii) Encourage and develop farm business groups across the Province.**
- **iv) Ensure the provision of high quality resource materials for financial management training in the Province.**

For Public and Private Sector Advisors in Saskatchewan:

- **i) Improve their ability to instruct business management principles and techniques to farm management teams.**
- **ii) Improve their financial management advisory capabilities.**

C. PROJECT DESIGN

i) Introduction

The program is remodelled from the Farming to Win program with changes implemented on the recommendation of an evaluation prepared by Deloitte & Touche (See Appendix I).

The farm business group concept has proven to be an excellent method for skill enhancement in the area of financial management. This approach has continued from the Farming to Win program to the Focus on Farm Planning program.

The development of goal oriented farm plans remained a central component to this program.

The main workshop instruction team was continued on a contractual basis supplemented with Extension service agrologists, the Agriculture Institute of Management in Saskatchewan and the Economics Branch staff where appropriate.

ii) Training

Extensive annual training of government staff and contracted instructors has occurred each year of the program. These training sessions consisted of two day orientation and training sessions, which covered the core workshop material and other more in-depth materials.

iii) Marketing

Deliotte & Touche also recommended the program contract with a professional advertising firm to deliver an aggressive marketing campaign. AIMS contracted with Hangs and Associates to develop a provincial wide marketing program. The campaign included the following strategy:

- a bulk mailout featuring a large pamphlet to 45,000 farm homes
- a redesigned display booth featured at tradeshows i.e. Mexibition and Agribition.
- a small individual brochure profiling Focus on Farm Planning. A bulk mailout was completed in targeted areas throughout Saskatchewan. Brochures were available at Rural Service Centres and tradeshows.
- Audio tapes were distributed at trade shows and Rural Service Centres.
- News releases were printed in the Ag News and major agriculture newspapers.

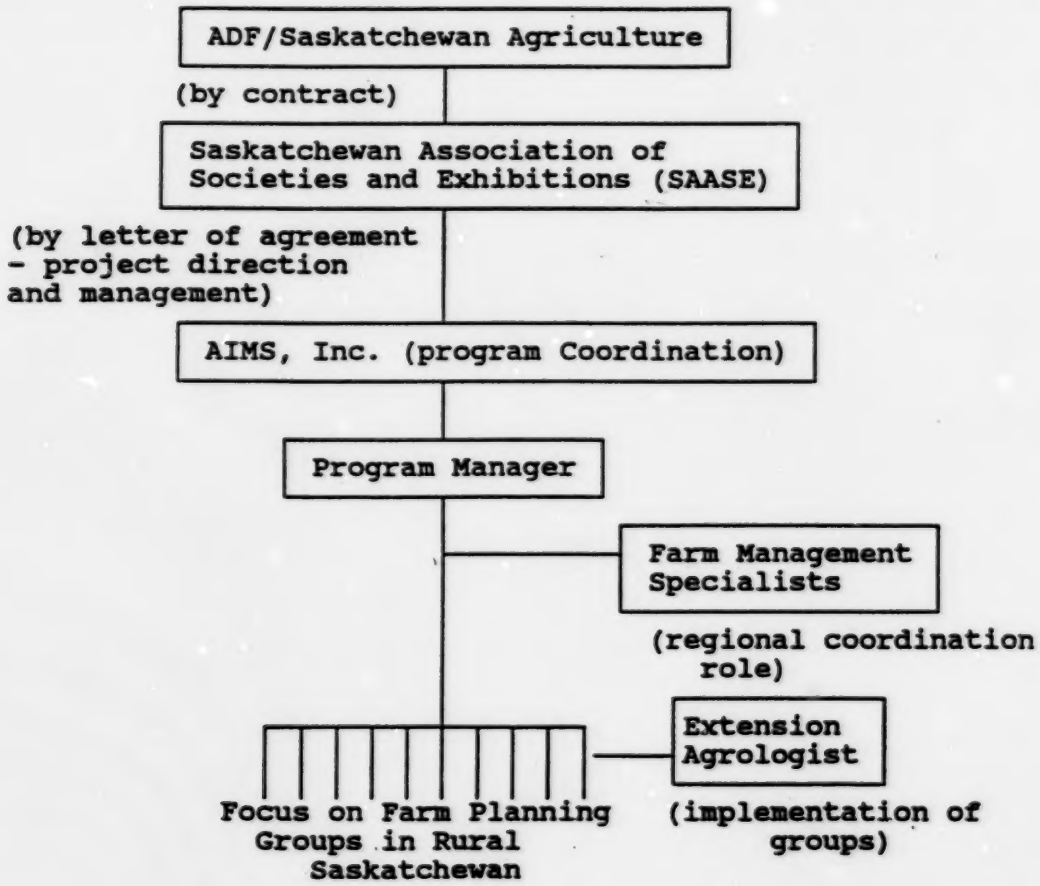
Included for your perusal are copies of the promotional materials.

All promotional material acknowledges ADF accordingly, "Funding provided by ADF under the Federal-Provincial Farm Management Initiative Agreement".

iv) Administrative Structure

The Saskatchewan Association of Agriculture Societies and Exhibitions remained as the ADF contractor and the financial accounting mechanism through which the program is implemented. (See Appendix II for Contract).

Organizational Chart


ADF/Saskatchewan Agriculture
(by contract)
Saskatchewan Association of Societies and Exhibitions (SAASE)
(by letter of agreement - project direction and management)
AIMS, Inc. (program Coordination)
Program Manager
Farm Management Specialists
(regional coordination role)
Extension Agrologist
(implementation of groups)
Focus on Farm Planning Groups in Rural Saskatchewan

v) Course Content

Course Outline Focus on Planning I

Part I
Theme: Where A I Now
- Introduction to Farm Management

Goals:
- Management Decision Process
- Team Approach

Practical:
Self Assessment
- Interest and motivation
- Interest and preference
- Resources and alternatives

Financial:
-Net Worth Statement

Practical:
- Prepare own net worth statement as of January 1, 19--.
- machinery and equipment worksheets
- inventory worksheets
- debt summary worksheets
- accounts payable and receivables

Homework:

Part II
Theme: Where Do I Want to Go?

Goals:
- Identifying your goals
- For your farming operation
  - Short term & Long term
- For family living
  - Short term & Long term

Practical:
Individual
- Written action statements on long and short term for each category
- Composite
- Development of team goals

Financial:
Theory
- Projected cash flow

Practical
- Interpretation and application using sample farms
- Farm planning worksheets
- House hold and personal expenses

Homework

Part III
Theme: How Do I get There
Goals:

Theory
- Goal Analysis priority setting
- Farming operation
- Family Life

Practical
- Priorize individually
- Develop composite (team) listing
- Develop a management plan

Financial:

Theory
- Net income statement
- Accrued income statement

Practical
- Calculation of net farm income: accrual method
- Income statement analysis
- Financial ration analysis

Homework

Part IV
Theme: Is There a Better Way?
Review Management Process
Implement Evaluation Process:
A. Review Alternatives
B. Organize Alternatives
C. Implement Best Alternatives
D. Evaluate Outcome

Part V (Optional)
Theme: Agriculture Credit
A. Introduction to Credit
B. Obtaining Credit
C. Planning Your Credit
D. Managing Risk and Uncertainty
E. Financial Difficulties
F. Security Documents

Course Outline Focus on Planning II

Farm Management Team Consulting
One-half day farm consultation
- review financial statements
- complete and year end
- advise on first in-class session

Part V
Review Example Farms
- example farms will incorporate changes that occur throughout a production cycle
- re-examine goals and financial statements
- review these statements and prepare a management plan for the following year

Part VI
Enterprise Analysis
- define enterprise analysis
- outline uses of enterprise analysis
- examine a sample enterprise analysis
- complete an analysis for your own farm

D. RESULTS

Focus on Farm Planning Registrations

COURSE LOCATION	FTW I 88/89	FTW II 88/89	FTWII 90/91	FOP I 90/91
	(Participants/Units)			
Abernethy				12/6
Borden	9/5			
Cudworth	8/4			
Dinsmore	4/7		6/3	
Drake	13/8		11/7	
Etaples				8/4
Fillmore	7/3			
Glentworth				12/6
Harptree	12/6			
Kamsack	16/9		10/6	
Kelvington	10/6	6/4		
La Flesh				9/5
Lanigan		7/4		
Leask	15/8			
Managing for Tomorrow	13/10			
Maryfield	6/3			
Meadow Lake	4/4			
Melfort		11/9		
North Battleford	15/9	6/6	8/4	
Orkney				10/5
Outlook		6/3		
Pambrun	14/6		13/7	13/6
Pangman	18/10			
Peterson		11/5		
Prairie River		12/8		
Prud'homme		12/6		
Radville	19/12		14/7	
Regina		12/8		
Rocanville	11/6			
Saskatoon	23/12	6/3	9/5	8/4
Shaunavon	11/5		12/6	12/6
St. Brieux	18/12		5/4	
Swift Current	20/7		13/6	16/7
Torquay				14/8
Tribune	26/16		20/7	
Turtleford		5/5		
Vibank			8/5	
Wawota		9/5		
Wishart	16/10		7/5	
Total	**311/175**	**109/66**	**136/72**	**114/57**

Course Evaluation Summary

Most respondents rated Focus on Farm Planning as above average with excellent instructors and course material. All respondents felt the knowledge they gained was above average to excellent in importance to farm management. (See Appendix III).

The instructors were rated very good to excellent in all categories.

The consultants received positive responses for covering financial statements, goals and objectives, strengths and weaknesses and alternatives. However, negative responses were higher than expected especially in strengths and weakness, and in alternatives categories. Overall, the consultants did rate higher than average.

Some participant comments include:

"I believe that the 'timing' of this course truly revived our hopes for continuing farming it brought communication between my spouse and myself when I was convinced there really wasn't anything that I could possibly say that would 'matter' pertaining to farming. I was wrong! It gave us excellent guidelines and opportunities to 'get back on track'."

"Very informative course that has helped to further understand all the aspects of farm life including management skills and family life. Hopefully the course will continue in the following years."

This course was "very necessary to help keep up with the business of farming. We would appreciate a follow up program".

"I found this course to be very useful in maintaining and revising our goals for the coming year. The enterprise analysis was good and useful for our farm also. We would enjoy a follow-up class maybe on an annual basis."

"This type of course was enhanced by the two individual instructors. They were very patient with those of us who truly didn't comprehend a lot of the information or terminology at first. They went over things, topic areas of concern, until all were comfortable with the program or subject area we were dealing with."

The instructors were "excellent". "They were both very good at drawing people out and the seminar was very worthwhile, largely because of the skill and commitment of the instructors."

Consultation Summary

The consultation was broken-up into three groups: Restructuring or Estate Planning; Farm Management Improvement and Financial Analysis and Difficulties.

The Restructuring or Estate Planning group included beginning farmers, addition of partners, incorporations and/or production changes. Estate Planning included rollovers or transfers of farms from one relative to another. The Farm Management Improvement group did not necessarily have problems but wished to improve their management skills, especially in budgeting and planning. And finally, most difficulties were due to economic situation of farming today and an accumulation of debt. With the future looking grim for most, off-farm employment seemed to be a common alternative. (See Appendix IV).

E. CONCLUSIONS AND RECOMMENDATIONS

The Focus on Farm Planning program has proven to be effective in providing training in the areas of financial management and planning, enterprise analysis and goal setting. The management team approach has provided team members the opportunity to share in the decision making process effecting the future direction of the farm business when setting goals and objectives and completing financial budgeting and analysis. It is therefore recommeded that the program be continued after the expiry of the current program as a course under the Agriculture Institution of Management in Saskatchewan.

F. PUBLICATIONS LIST

1. Farming to Win Core Curriculum (Binders included)
   Year 1
   Year 2

2. Farm Planning Calendar (Attached)

G. STATEMENT OF EXPENDITURES

An audited statement of Expenditures has been prepared by Twigg & Company and will be submitted directly from SAASE.

H. LIST OF PERSONNEL

INSTRUCTORS (90-91) - August 26, 1991

George Adnam
Adnam Consulting Service
Box 8
Rosetown, SK
S0L 2V0
882-3231

Jim Caughlin
Tisdale, SK
S0E 1T0
873-5141

Steven Kobelak
Box 1930
102nd Avenue E.
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873-4575

Don Connick
Box 606
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S0N 1A0
672-3730

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672-3908

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S0G 1Z0
484-4494

Larry Malinowski
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I. LIST OF EQUIPMENT

LOCATION	COMPUTER SERIAL NO.	PRINTER SERIAL NO.
N. Battleford	Zenith Supersport M2 9371053011	Diconix Ink-Jet PAD8IRG153
Yorkton	9371018411	PAD8IRG153
Tisdale	9371045411	PAD8IRG154
Weyburn	9371001411	PAD8IRG959
Swift Current	9371075511	PAD8IRG133
Rosetown	9371029411	PAD8IRG124